

economy than in most other industrialized nations. U.S. growth, unemployment, and inflation are still determined mainly by domestic decisions on interest rates, budget deficits, and the like. And, according to most economists, technological change has a bigger impact on wage stagnation and job loss than do trade and foreign investment.

None of these perspectives on globalization is entirely correct, but each has some merit. Globalization clearly offers great opportunities to the U.S. economy. Firms capable of exploiting new foreign markets can bring valuable returns to their employees and investors. By keeping prices down and increasing purchasing options, import competition can benefit consumers and manufacturers. But developments that offer opportunities to some Americans pose challenges to others. Even though technology may be a bigger threat to U.S. wages and jobs, lower-skilled workers, in particular, face tough competition from countries where labor costs are much lower.

U.S. POLICY

The United States cannot stop globalization; the economic forces behind it are simply too strong. Nor could we withdraw from the world economy. The challenge for the U.S. is to position itself to benefit from the major changes now sweeping over the international economic system so that we raise the living standards of U.S. residents overall. We need to seize the opportunities created by globalization while responding to its costs.

That means, first of all, that we need to maintain our leadership on trade and continue to work to improve the international economic system. All nations will benefit from policies of openness and engagement, the kind of international economic system the U.S. has worked hard to establish for half a century. Such policies will create new markets for our products and enhance international stability and cooperation. By renewing fast-track trade negotiating authority, Congress can give the President the critical tool he needs to open foreign markets and prevent other countries from reaching trade agreements that harm our interests.

At the same time, we need to do a better job of helping lower-skilled workers acquire the education and training they need to get the higher-paying, higher-skilled jobs that our economy is creating. We provide too little support to workers who lose their jobs due to trade. Federal and state worker education and training programs are underfunded and uneven in quality. Efforts to reform these programs have stalled several times in recent years. With the federal budget climate improved, it makes sense to try again.

CONCLUSION

Our number one concern in this increasingly globalized economy is jobs—good and secure jobs for Americans. We need to pursue policies that promote economic growth and improve living standards for all Americans. We need to redouble our efforts to better prepare workers for the new jobs our economy is creating.

INTRODUCTION OF THE POLICE AND FIREMAN'S ADDITIONAL COMPENSATION ACT OF 1997

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 29, 1997

Mrs. MORELLA. Mr. Speaker, I rise today to introduce the Police and Fireman's Additional

Compensation Act of 1997. This legislation would provide added pay for members of the Metropolitan Police and Fire Department of the District of Columbia, and to the U.S. Secret Service's Uniformed Division and the Park Police who carry out certain technical or hazardous duties.

This bill also would include the additional compensation paid for service longevity into retirement calculations for police and firefighters, and is a commonsense and budget-conscious way to encourage the retirements of police and firefighters who are at the top of their respective pay scales and seniority levels.

Under this legislation, members of the U.S. Secret Service Uniformed Division who travel to a foreign country in which a state of war or civil unrest exists would receive an extra \$100 a day in addition to his/her basic compensation and travel expenses.

The Police and Fireman's Additional Compensation Act of 1997 would save taxpayer dollars by encouraging the retirements of senior police and firefighters who have reached the top of the pay scale. At the same time, the bill provides needed compensation to those who risk their lives to protect and preserve our communities. These brave men and women provide the highest quality of service to our citizens; providing them with added compensation is an appropriate way in which to send a message that we appreciate the difficult work that they do.

LOOK OUT CONSUMERS: PHARMACEUTICAL RIP-OFF BEING PROPOSED

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 29, 1997

Mr. STARK. Mr. Speaker, following is the testimony of Immunex Corp. from an October 21, 1997 hearing before the Senate Appropriations Subcommittee on Labor-HHS-Education.

It describes why a proposal by a number of drug manufacturers to extend the patent exclusivity on their drugs is a bad deal for consumers and America. Everyone is for increased research on the cure to illnesses—but charging sick people more for existing medicines while the corporations pocket most of the monopoly windfall for profits is a lousy deal.

The end of a Congress is a dangerous time, when last minute sweetheart deals get added to "must pass" legislation. The last time a pharmaceutical company tried this was an anonymous amendment to the Kennedy-Kassebaum law to provide special patent protection to Lodine. the result was a national outcry and special action to strip the "gift" out of the bill.

Keep your eyes open everyone—we may be facing the same robbery attempt again.

STATEMENT BY SCOTT HALLQUIST, SENIOR VICE PRESIDENT AND GENERAL COUNSEL IMMUNEX CORPORATION, BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, COMMITTEE ON APPROPRIATIONS, U.S. SENATE

October 21, 1997.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE: On behalf of the employees and

stockholders of Immunex Corporation, I am grateful to the Subcommittee for affording me the opportunity to present Immunex's views about the proposed demonstration project to fund biomedical research through extensions of market exclusivity for approved drugs. If implemented, this proposal would deprive our company of the ability to provide an important cancer drug to patients. Using this drug as an example, I will illustrate for the Subcommittee the punitive and anticompetitive impact of the proposed demonstration on private sector research, health care expenditures, the federal Medicare budget, and patient access to affordable drug therapies.

Immunex is a research-based biopharmaceutical company headquartered in Seattle, Washington. We have approximately 900 employees throughout the U.S. Our mission is to develop innovative treatments for patients with serious medical needs. Since the company was founded sixteen years ago, we have spent \$483 million on research and development—approximately one-half of the company's revenues over that same period of time. In 1996, our total research investments exceeded \$100 million.

Immunex markets seven products in the U.S. All are used in the treatment of cancer or to temper the side effects of cancer therapy. As one example, we received FDA approval to market a chemotherapy drug called Novantrone for the 80,000 men who suffer from advanced hormone refractory prostate cancer. Until Novantrone received clearance, there were few treatment options for these patients. In addition to the development of innovator drugs like Novantrone, Immunex has developed a generic form of paclitaxel, a chemotherapeutic agent used to treat metastatic ovarian and breast cancers that have not responded to first line therapies. We intend to market this drug as soon as the exclusivity period granted to Bristol-Myers Squibb for its brand, Taxol, expires.

Thus, we are able to consider the proposed demonstration project from a unique perspective—that of a company that is fiercely committed to research and development, that develops and markets innovator drugs, and that also has an interest in generics. In our view, the proposed demonstration runs counter to sound public policy and would not achieve its stated objectives.

Proponents of the demonstration offer two principal justifications: 1) five years of market exclusivity is not sufficient to provide adequate incentive for companies to conduct research to develop new drugs; and 2) the demonstration would provide a source of revenue needed to maintain support for NIH research. Unfortunately, the proposal fails on both counts.

Perhaps there should be a reexamination of the purpose and effect of the Waxman-Hatch market exclusivity law. But the appropriations process is not the proper forum for that debate. It requires the same level of scrutiny and consideration that was applied when the law was first adopted. This is particularly true in light of the anti-competitive nature of the demonstration and its likely adverse impact on patient access to lifesaving therapies. Moreover, the proposed demonstration does nothing to incentivize new drug development since it would extend, by up to five additional years, market exclusivity for existing drugs only. It actually would deter research to develop new formulations of drugs that qualify for the additional protections. Simply put, other companies that otherwise might produce new versions with fewer side effects, easier delivery systems, or greater efficacy would be unable to receive approval and would have no incentive to conduct the research necessary to achieve these kinds of breakthroughs. Depriving patients in this